

ORIGINAL

1 Anna S. McLean (No. 142233)  
 2 Nathaniel Spencer-Mork (No. 226886)  
 3 HELLER EHRMAN LLP  
 333 Bush Street  
 4 San Francisco, CA 94104-2878  
 Telephone: (415) 772-6666  
 Facsimile: (415) 772-6268  
 5 Anna.McLean@hellerehrman.com  
 Nate.SpencerMork@hellerehrman.com

6 John C. Ulin (No. 165524)  
 7 Patricia K. Oliver (No. 193423)  
 8 HELLER EHRMAN LLP  
 333 South Hope Street, 39th Floor  
 Los Angeles, CA 90071  
 9 Telephone: (213) 689-0200  
 Facsimile: (213) 614-1868  
 10 John.Ulin@hellerehrman.com  
 11 Patricia.Oliver@hellerehrman.com

12 Attorneys for Plaintiff  
 PHILIP MORRIS USA INC.

13  
 14 UNITED STATES DISTRICT COURT  
 15 NORTHERN DISTRICT OF CALIFORNIA  
 16

17 PHILIP MORRIS USA INC.,  
 18 Plaintiff,  
 19 v.  
 20 SILVER VIEW SUPERMARKET, a  
 California corporation doing business as  
 21 SILVER VIEW SUPERMARKET, *et al.*,  
 22 Defendants.  
 23

NO.: C-06-00701-MMC

**[PROPOSED] CONSENT JUDGMENT  
 AND PERMANENT INJUNCTION AS  
 TO DEFENDANT NG HING KEE,  
 INC. (DEFENDANT NO. 12)**

24 Plaintiff Philip Morris USA Inc. ("Philip Morris USA") and Defendant Ng Hing  
 25 Kee, Inc. ("Defendant"), having settled this action on the terms and conditions stated herein,  
 26 it is hereby ORDERED, ADJUDGED and DECREED as follows:  
 27  
 28

RECEIVED  
 15 JUL -6 AM 11:43  
 RICHARD W. WIEKING  
 CLERK U.S. DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA

**FILED**

JUL X 7 2006

RICHARD W. WIEKING  
 CLERK U.S. DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA

1           1.     This is an action for: (i) infringement of registered trademarks in violation of  
 2 Section 32 of the Lanham Act, 15 U.S.C. § 1114; (ii) false designation of origin and  
 3 trademark and trade dress infringement in violation of Section 43(a) of the Lanham Act, 15  
 4 U.S.C. § 1125(a); and (iii) unfair competition in violation of the common law of the State of  
 5 California. This Court has personal jurisdiction over Philip Morris USA and Defendant,  
 6 and subject matter jurisdiction of the matter in controversy between Philip Morris USA and  
 7 Defendant. Venue in this judicial district is proper.

8           2.     Defendant waives any objections they may have regarding sufficiency of  
 9 process or the sufficiency of service of process in this action.

10           3.     Philip Morris USA manufactures cigarettes, including the famous  
 11 MARLBORO® brand, for sale in the United States. Philip Morris USA is the registered  
 12 owner of the following MARLBORO® and MARLBORO®-related trademarks on the  
 13 Principal Register of the United States Patent and Trademark Office, all of which are valid,  
 14 subsisting and incontestable pursuant to 15 U.S.C. § 1065 (collectively “Philip Morris USA  
 15 Marks”):

Registration Number	Date Registered
68,502	April 14, 1908
938,510	July 25, 1972
1,039,412	May 11, 1976
1,039,413	May 11, 1976

16  
 17  
 18  
 19  
 20  
 21           4.     Philip Morris USA has spent substantial time, effort, and money advertising  
 22 and promoting the Philip Morris USA Marks throughout the United States, and these marks  
 23 have consequently developed significant goodwill, have become distinctive, and have  
 24 acquired secondary meaning. As a result of the sale of counterfeit MARLBORO® and/or  
 25 MARLBORO LIGHTS® cigarettes, Philip Morris USA is suffering a loss of the enormous  
 26 goodwill associated with the Philip Morris USA Marks, and is losing profits from lost sales  
 27 of genuine products.  
 28

1           5.     Beginning on or about September 9, 2005 and subsequent to Philip Morris  
2 USA's adoption and first use of the Philip Morris USA Marks, Defendant offered for sale  
3 and sold to the general public counterfeit MARLBORO® and/or MARLBORO LIGHTS®  
4 brand cigarettes.

5           6.     In a Complaint ("Complaint") filed with this Court on January 31, 2006,  
6 Philip Morris USA alleged that Defendant's offering for sale and sale of counterfeit  
7 MARLBORO® and/or MARLBORO LIGHTS® brand cigarettes constitutes trademark and  
8 trade dress infringement, false designation of origin, unfair competition, and related  
9 violations of Philip Morris USA's rights in the Philip Morris USA Marks under the Lanham  
10 Act and state law. Philip Morris USA sought both injunctive relief and monetary damages.

11           7.     Since the filing of the Complaint, Philip Morris USA and Defendant have  
12 agreed to a full and final settlement of this action as contained herein and have agreed to the  
13 entry of this Consent Judgment and Permanent Injunction. Accordingly, it is hereby  
14 **ORDERED** that Defendant, and its officers, agents, servants, employees, and attorneys,  
15 and all persons in active concert or participation with it, are hereby permanently enjoined  
16 from

17           (i)     purchasing, selling, offering for sale, or otherwise using in commerce any  
18 counterfeit MARLBORO® and/or MARLBORO LIGHTS® brand cigarettes;

19           (ii)    assisting, aiding or abetting any other person or entity in purchasing, selling,  
20 offering for sale, or otherwise using in commerce any counterfeit MARLBORO®  
21 and/or MARLBORO LIGHTS® brand cigarettes; and

22           (iii)   interfering with or impeding the inspections authorized by Paragraph 8(a)  
23 hereof in any way.

24           8.     Defendant further agrees to cooperate in good faith with Philip Morris USA in  
25 any further investigation of this matter, including but not limited to (a) permitting  
26 representatives of Philip Morris USA to conduct inspections, without notice, of Defendants'  
27 inventory of cigarettes to determine whether any cigarettes bearing the MARLBORO®  
28 and/or MARLBORO LIGHTS® mark are counterfeit (such inspections may proceed at any



1 Defendant retail outlet between the hours of 9:00 a.m. and 5:00 p.m. on any day Defendants  
2 are open for business) and to take possession of any such MARLBORO® and/or  
3 MARLBORO LIGHTS® brand cigarettes Philip Morris USA or its representatives  
4 determine to be counterfeit; (b) responding to reasonable requests for information about  
5 Defendant's suppliers of MARLBORO® and/or MARLBORO LIGHTS® cigarettes; and  
6 (c) cooperating with Philip Morris USA's representatives in their investigations of any  
7 suppliers of MARLBORO® and/or MARLBORO LIGHTS® cigarettes.

8 9. The terms of this Consent Judgment and Permanent Injunction shall be  
9 enforceable against Defendant and any persons working in concert with it and any retail  
10 outlet Defendant and/or such persons may own or operate now or in the future.

11 10. Defendant agrees to waive all claims in this action against Philip Morris USA  
12 with prejudice, whether they are asserted or not. All claims asserted in this action by Philip  
13 Morris USA for monetary recovery from Defendant are hereby dismissed with prejudice.  
14 There being no just reason for delay, the entry of this consent judgment by the United States  
15 District Court constitutes entry of final judgment as to all remaining claims asserted in this  
16 action by Philip Morris USA against Defendant pursuant to Federal Rule of Civil Procedure  
17 54(b). Philip Morris USA and Defendant will each bear their own costs and attorneys' fees.  
18 Upon entry of this Consent Judgment and Permanent Injunction, any bond or undertaking  
19 Philip Morris USA has filed in this action as to Defendant shall be deemed exonerated and  
20 the original of such bond or undertaking shall be returned to Philip Morris USA.

21 11. With regard to the release set forth above, Defendant expressly waives the  
22 provisions of California Civil Code Section 1542, and any similar law, statute or policy.  
23 California Civil Code Section 1542 states as follows:

24 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE  
25 CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT  
26 THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM  
27 MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE  
28 DEBTOR.

1 Defendant understands and acknowledges the significance and the consequences of  
2 this waiver of California Civil Code Section 1542 and confirms that it has either discussed  
3 or been given an opportunity to discuss such matters and all of the provisions of  
4 this Consent Judgment and Permanent Injunction with counsel of its choice.

5 12. The Court shall retain jurisdiction to enforce this Consent Judgment and  
6 Permanent Injunction. If Defendant shall be alleged to have breached the terms of this  
7 Consent Judgment and Permanent Injunction, Philip Morris USA shall have the right to  
8 reopen this matter upon motion filed and heard on an expedited basis, including by ex parte  
9 application. If this matter is so reopened, Philip Morris USA may pursue any and all  
10 remedies it may have against Defendant in addition to liquidated damages as set forth  
11 below.

12 13. Philip Morris USA has entered this Consent Judgment in material reliance on  
13 Defendant's representations as to the sources from which it has purchased the cigarettes  
14 sold at its retail outlet since March 2005. If Philip Morris USA determines in good faith  
15 that Defendant has materially misrepresented the sources from which it purchased cigarettes  
16 during this time period, or if Defendant has failed to identify any of its cigarette suppliers  
17 for this time period, such misrepresentation and/or omission shall constitute a material  
18 breach of this Consent Judgment and Permanent Injunction and the terms hereof shall be  
19 null and void except that Defendant shall remain permanently enjoined by the provisions of  
20 Paragraphs 7 and 8 hereof, and shall be liable for liquidated damages pursuant to the terms  
21 of Paragraph 14(iii). In that event, Philip Morris USA shall have the right to reopen this  
22 matter upon motion filed and heard on an expedited basis, including by ex parte application.  
23 If this matter is so reopened, Philip Morris USA may pursue any and all non-monetary  
24 remedies it may have against Defendant, in addition to liquidated damages as set forth  
25 below and shall also be entitled to recover its attorneys' fees and costs for any further  
26 prosecution of this action.

27 14. The parties recognize and acknowledge that it would be impractical or very  
28 difficult to determine or fix the amount of damages that would be sustained as a result of a

1 breach of this Consent Judgment and Permanent Injunction by Defendants. Accordingly,  
2 after making a reasonable endeavor to arrive at the amount that would be an approximation  
3 of the damages that would or might be sustained in the event of a breach, the parties hereto  
4 agree to fix said amount of liquidated damages in the sum of (i) \$500.00 per day for breach  
5 of Defendant's obligation to cooperate in good faith with Philip Morris USA's investigative  
6 efforts, as set forth in Paragraph 8, and accruing after Philip Morris provides reasonable  
7 notice to Defendant of the breach; and (ii) \$500.00 for the first occasion on which Philip  
8 Morris USA confirms that Defendant has sold counterfeit MARLBORO® or MARLBORO  
9 LIGHTS® brand cigarettes after this Consent Judgment and Permanent Injunction is  
10 entered, with the monetary damages to double for each subsequent occasion on which a sale  
11 of counterfeit product is confirmed (*e.g.*, \$1,000.00 for the second occasion, \$2,000.00 for  
12 the third occasion, *etc.*), except that if Philip Morris USA discovers 10 cartons or more of  
13 counterfeit MARLBORO® or MARLBORO LIGHTS® cigarettes in the combined  
14 inventory of one or more of Defendant's retail outlets in any inspection conducted within 90  
15 days of the date on which cigarettes purchased at any of Defendant's retail outlets are  
16 confirmed as counterfeit, the amount of liquidated damages shall be multiplied by 10 (*e.g.*,  
17 on the first such occasion, \$5,000; on the second such occasion, \$10,000, *etc.*) with any  
18 liquidated damages recovery capped at \$100,000; and (iii) in the event Defendant has  
19 materially misrepresented the sources from which it has purchased cigarettes since March  
20 2005 and/or failed to identify any of its cigarette suppliers during this time period in  
21 violation of Paragraph 13 hereof, \$500.00 per day from the date this Consent Judgment and  
22 Permanent Injunction is entered, to the date Philip Morris USA learns of the  
23 misrepresentation and/or omission.

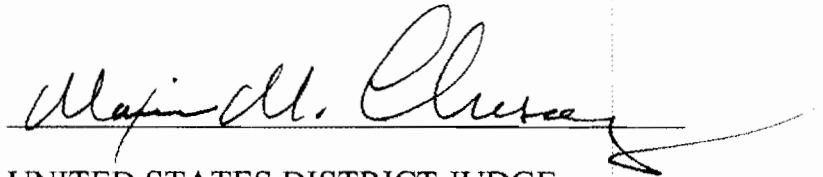
24 15. Accordingly, in the event that Defendant breaches this Consent Judgment and  
25 Permanent Injunction as set forth above, which breach shall be determined on the basis of  
26 such proof as Philip Morris USA shall present to the Court, then Defendant shall be  
27 obligated to pay to Philip Morris USA liquidated damages in the amounts set forth above.  
28 Upon the entry of an Order of this Court that Defendant has committed such a breach,

1 Philip Morris USA shall be entitled to enforce the Court's Order, including by Writ of  
2 Execution.

3 16. Each of the parties acknowledges and represents that it has fully considered  
4 the effect of this provision for liquidated damages.

5  
6 DATED:

JUL 17 2006



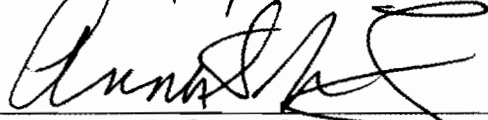
UNITED STATES DISTRICT JUDGE



1 The individuals executing this Judgment represent or confirm that they are duly  
2 authorized to do so, and are similarly authorized to bind each of the signatories to this  
3 Judgment.  
4

5  
6 CONSENTED TO:

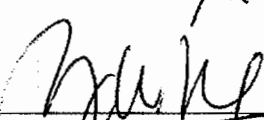
7  
8 DATED: 7/5/06

9 

10 HELLER EHRMAN LLP  
11 ANNA S. McLEAN  
12 333 Bush Street  
San Francisco, CA 94104-2878

13 (415) 772-6000  
14 (415) 772-6268

15  
16 DATED: 6/24/06

17 

18 NG HING KEE, INC.  
19 By YAN WAH NG, Owner  
20 648 Jackson Street  
21 San Francisco, CA 94133

22 Counsel for Plaintiff Philip Morris USA Inc.  
23  
24  
25  
26  
27  
28



UNITED STATES DISTRICT COURT  
FOR THE  
NORTHERN DISTRICT OF CALIFORNIA

PHILIP MORRIS USA INC.,  
Plaintiff,

Case Number: CV06-00701 MMC  
**CERTIFICATE OF SERVICE**

v.

SILVER VIEW SUPERMARKET et al,  
Defendant.

---

I, the undersigned, hereby certify that I am an employee in the Office of the Clerk, U.S. District Court, Northern District of California.

That on July 7, 2006, I SERVED a true and correct copy(ies) of the attached, by placing said copy(ies) in a postage paid envelope addressed to the person(s) hereinafter listed, by depositing said envelope in the U.S. Mail, or by placing said copy(ies) into an inter-office delivery receptacle located in the Clerk's office.

Anna S. McLean  
Nathaniel Robertson Spencer-Mork  
Heller Ehrman LLP  
333 Bush St  
San Francisco, CA 94104-2878

John C. Ulin  
Patricia K. Oliver  
Heller Ehrmann LLP  
333 South Hope Street, 39<sup>th</sup> Floor  
Los Angeles, CA 90071

Sheraga M. Raz  
2485 Telegraph Avenue  
Berkeley, CA 94704

Dated: July 7, 2006

Richard W. Wieking, Clerk



By: Tracy Lucero, Deputy Clerk